

5.2: NEW CAPITAL WORKS PROJECTS – BUDGET ADJUSTMENTS

Land Description	: Capital Works Projects – various land areas
Proponent	: City of Albany
Owner	: City of Albany
Attachments	: Proposed Budget adjustments
Responsible Officer(s)	: Executive Director Works & Services (M Thomson)

IN BRIEF

- Approval of new external funding for Capital Works projects and minor budgetary adjustments
- Approval is sought for budget variations to ensure Capital Works projects are completed within the current financial year.

RECOMMENDATIONS

ITEM 4.1 RESPONSIBLE OFFICER RECOMMENDATIONS

VOTING REQUIREMENT: ABSOLUTE MAJORITY

THAT Council:

RECOMMENDATION 1 - STATE INITIATIVES PROGRAM FUNDING

- APPROVE the offer of funding totalling \$200,000 from the State Initiatives Program for the soil stabilisation trails on Homestead Road and
- AUTHORISE the transfer of \$50,000 from job 3134 Campbell Road to Homestead Road

RECOMMENDATION 2 - STATE BLACK SPOT FUNDING

- APPROVE the offer of funding totalling \$17,725 from the State Black Spot Program for
 - Bay View Drive dual use path – budget \$9,000 (COA \$3,000)
 - Bayonet Head/Purdie St – budget \$12,000 (COA \$4,000)
 - Bay View/Chipana Dr upgrade – budget \$5,570 (COA \$1,845); and
- AUTHORISE the transfer of \$8,845 from job 3176 Woodides Road to the nominated jobs as detailed

RECOMMENDATION 3 - REGIONAL BICYCLE NETWORK FUNDING

- APPROVE the offer of funding totalling \$300,000 from the Regional Bicycle Network Program for
 - Eyre Park paths – budget \$190,000 (COA \$95,000),
 - ANZAC Peace Park path – budget \$120,000 (COA \$60,000),
 - Middleton Rd shared path – budget \$70,000 (COA \$35,000),
 - Albany Bicycle Strategy – budget \$70,000 (COA \$35,000),
 - Munda Bididi Trail re-alignment – budget \$155,084 (COA \$80,084),
- AUTHORISE the transfer of
 - \$68,527 from job 2976 Lake Seppings to Oyster Harbour Flood Analysis
 - \$54,673 from job 2977 Cull Park Catchment Flood Analysis
 - \$26,618 from job 2978 Sanford Road Basin Catchment Flood Analysis
 - \$25,313 from job 2979 Wright Street Catchment Flood Analysis
 - \$105,000 from job 2982 Green Island/Range Court/Hiam St Flood Mitigation
 - \$24,953 from job 3134 Campbell Road

to the nominated jobs as detailed

RECOMMENDATION 4 - STATE NATURAL RESOURCE MANAGEMENT

- **APPROVE** the offer of funding totalling \$26,000 from the State Natural Resource Management Program for the Lowlands Coastal access upgrade project (budget \$46,000), and
- **AUTHORISE** the transfer of
 - \$10,000 from job 0107 Parks - Trails Maintenance
 - \$10,000 from job NR999 Natural Reserves Maintenance
 to the nominated job

RECOMMENDATION 5 - OTHER CAPITAL WORKS ADJUSTMENTS

Unscheduled works – Capital Works projects

- **AUTHORISE** the transfer of \$190,000 from job 3157 Unscheduled Works and \$20,000 from job 133370 Relocation of Depot – Review to

Ulster Rd - drainage upgrade Woodthorpe Primary School – budget \$60,000

Ashkey Bvd- drainage upgrade outside Agonis Garden – budget 10,000

Premier Circle - upgrade drainage – budget \$10,000

Verdi/Serpentine Rd pit Upgrade – budget \$10,000

Festing St drainage – budget \$15,000

Beaufort Road Roundabout drainage upgrade – budget \$15,000

Minor Road - Drainage Upgrade – budget \$15,000

Bay View Drive - Drainage Upgrade – budget \$15,000

Soil Stabilisation Trials – budget \$50,000

RAAFA Amity drainage – budget \$10,000

to the nominated jobs as detailed

Unscheduled Works - Maintenance

- **AUTHORISE** the transfer of \$90,000 from job 3134 Campbell Road to job 3157 Unscheduled Works

Depot Upgrade of current facilities

- **AUTHORISE** the transfer of \$55,000 from Account number 133370 Relocation of Depot - Review to Depot Upgrade

Under Ground Power Feasibility – as per previous Council approval

- **AUTHORISE** the transfer of \$12,500 from job 3134 Campbell Road to Under Ground Power Feasibility

Road works requiring additional funds for increased works

- **AUTHORISE** the transfer of \$200,000 from job 3162 Drainage Rectification - Beaufort Rd and \$24,700 from job 3134 Campbell Road to –

Job 3169 Lower Denmark Rd (SLK 0.0 - 0.76) - amount \$80,000

Job 2849 Bettys Beach Rd (SLK 2.62 - 2.68 – amount \$20,000

Job 3174 Thompson Rd (SLK 1.25 - 4.25) – amount \$26,200

Job 3201 Lake Vancouver Bird Hide – amount \$3,000

Job Yakamia Water Management Plan – amount \$75,000

Job 3166 Harbour View Rd – amount \$8,000

BACKGROUND

1. Since the adoption of the annual budget, the City of Albany has been fortunate in its applications for funding for various Capital Works projects during the 2012/13 financial year. To ensure that Council can comply with the various funding conditions that apply, the Council must provide some own source contributions to offset the funding amounts.
2. Staff have also identified the need for additional City of Albany funds for some adopted Capital Works projects, which will require prior Council approval.
3. In accordance with the Local Government Act, the City is required to seek prior Council approval for funds that have been obtained in addition to any approved budget amounts.
4. While there is the opportunity to seek financial adjustments through the budget review processes, it is considered more appropriate to seek approval for these Capital Works projects as soon as practical, to ensure they can be completed within the same financial year.

DISCUSSION

5. With the current arrangements for Council Committees and Meetings, there are lengthy time delays between the December and February meeting timetables. This delay impacts on any new Capital Works projects, as the Council approval, tender preparation/advertising, Council approval of the tender etc, is delayed before any works can be commenced.
6. The various projects are listed in the Proposed Budget adjustments attachment, and are summarised below:

State Initiatives Program (100% external funding)

- Funding of \$200,000 for soil stabilisation trials on Homestead Road
- Extra COA \$50,000 funds for works expanded due to latent site conditions

State Black Spot Funding (2/3 external funding)

- Main Roads Black Spot funding of \$17,725
- Projects –
 - Bay View Drive dual use path – budget \$9,000
 - Bayonet Head/Purdie St – budget \$12,000
 - Bay View/Chipana Dr intersection upgrade – budget \$5,570

Regional Bicycle Network (50% external funding)

- \$300,000 funding for pathway works
- Projects –
 - Eyre Park paths – budget \$190,000,
 - ANZAC Peace Park path – budget \$120,000,
 - Middleton Rd shared path – budget \$70,000,
 - Albany Bicycle Strategy – budget \$70,000
 - Munda Bididi Trail re-alignment – budget \$155,084

State Natural Resource Management (50% external funding)

- \$26,000 funding for access upgrade
- Project - Lowlands Coastal access upgrade – budget \$46,000

Other Capital Works Adjustments (see attached list of proposed adjustments)

- Unscheduled works – Capital Works projects
- Minor Depot upgrade of current facilities
- Under Ground Power Feasibility – as per previous Council approval
- Road works requiring additional funds for increased works

GOVERNMENT CONSULTATION

7. Nil

PUBLIC CONSULTATION / ENGAGEMENT

8. Nil

STATUTORY IMPLICATIONS

9. Under the Local Government Act 1995, Section 6.8, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:
- a. is incurred in a financial year before the adoption of the annual budget by the local government
 - b. is authorised in advance by a resolution (absolute majority required); or
 - c. is authorised in advance by the mayor in an emergency.

STRATEGIC IMPLICATIONS

10. This item directly relates to the following elements of the 2011 City of Albany Strategic Plan:

Key Focus Area: *Sustainability and Development*

Community Priority: *Road improvements*

POLICY IMPLICATIONS

11. The Budget Variations Policy states where it is necessary to expend funds on a new budget line item approval must be obtained prior to any expenditure being made.

RISK IDENTIFICATION & MITIGATION

12. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Council does not approve the Budget Review</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>The existing Annual Budget would apply and proposed amendments would not apply.</i>

FINANCIAL IMPLICATIONS

13. The adjustments indicating new external funding sources and internal budget adjustments are detailed in the attachment, and ensure the overall result provides for a balanced budget.

LEGAL IMPLICATIONS

14. The request for various amendments to the 2012/13 budget to accommodate new external funding and some minor adjustments will ensure there is no unauthorised expenditure and all projects are approved by the Council, prior to any works commencing.

ALTERNATE OPTIONS

15. Should the review is not adopted by Council, the proposed re-allocation of budget line items would not be applied, and the funding opportunities would be declined.
16. The review may be adopted, subject to specific changes directed by Council.

SUMMARY CONCLUSION

17. Council approval is sought for new external funding for Capital Works projects and minor budgetary adjustments, to ensure budget variations for the nominated Capital Works projects are completed within the current financial year.

Consulted References	:	Adopted Budget 2012-13 Local Government Act 1995
File Number (Name of Ward)	:	FM.BUG.2
Previous Reference	:	OCM 18.12.12 item 5.2 , OCM 18.12.12 item 5.3, Audit & Finance 26.11.12 item 4.3, OCM 20.11.12 item 1.1, OCM 16.11.10 item 3.3